



County of San Bernardino

FAS

CONTRACT TRANSMITTAL

FOR COUNTY USE ONLY

<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Cancel	Vendor Code			SC	Dept.	A	Contract Number			
County Department Real Estate Services Department					Dept. Orgn.		Contractor's License No.			
County Department Contract Representative David H. Slaughter, Director					Telephone 387-7813		Total Contract Amount			
Contract Type <input type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:										
If not encumbered or revenue contract type, provide reason:										
Commodity Code			Contract Start Date		Contract End Date		Original Amount		Amendment Amount	
Fund	Dept.	Organization	Appr.	Obj/Rev Source		GRC/PROJ/JOB No. 33N32018		Amount		
Fund	Dept.	Organization	Appr.	Obj/Rev Source		GRC/PROJ/JOB No.		Amount		
Fund	Dept.	Organization	Appr.	Obj/Rev Source		GRC/PROJ/JOB No.		Amount		
Project Name San Bdno - Sheriff				Estimated Payment Total by Fiscal Year						
				FY	Amount	I/D	FY	Amount	I/D	

CONTRACTOR SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY

Federal ID No. or Social Security No. _____

Contractor's Representative Penny Chua, Chief of Staff/Marketing Director

Address 294 S. Leland Norton Way, Suite #1, San Bernardino, CA 92408-0131 Phone (909) 382-4100 x 243

Nature of Contract: *(Briefly describe the general terms of the contract)*

GROSS LEASE

This Lease Contract is for a period of three (3) years with two (2) one-year option(s) to extend. Leased Premises consist of 39,818 gross square feet of hangar space and 1,586 square feet of office space in a portion of Building 795. Rental is \$.34 per square foot per month.

LANDLORD shall provide all exterior maintenance to include grounds, parking lot maintenance and exterior lighting. LANDLORD to pay for electrical, water, trash, fire alarm service and sewer. COUNTY shall pay for all interior utilities and provide for janitorial, vending machines, security and its own telephone service including pay telephones.

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form ► SEE SIGNATURE PAGE County Counsel Date _____	Reviewed as to Affirmative Action ► Date _____	Presented to BOS for Signature ► Department Head Date _____
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Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

COUNTY OF SAN BERNARDINO

LEASE AGREEMENT

LANDLORD: San Bernardino International Airport Authority
294 South Leland Norton Way, Suite #1
San Bernardino, CA 92408-0131

COUNTY: COUNTY OF SAN BERNARDINO
Real Estate Services Department
825 East Third Street
San Bernardino, CA 92415-0832

PREMISES: A portion of Building No. 795 consisting of 37,414 square feet of hangar space and 1,586 square feet of office space located at the San Bernardino International Airport, San Bernardino, California

TERM OF LEASE: Three (3) years with two (2) two-year options

COMMENCEMENT DATE OF LEASE: November 1, 2004

COST PER SQUARE FOOT: \$.30 for hangar space & \$.30 for office space – modified gross

COUNTY CONTRACT NUMBER:

REV: 11/14/94

TYPED: 9/7/2004

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Exhibit "A", Premises Leased

LEASE AGREEMENT

1. **PARTIES:** This lease ("Lease") is made between the San Bernardino International Airport Authority, ("LANDLORD"), and the County of San Bernardino ("COUNTY"), who agree as follows:
2. **PREMISES LEASED:** LANDLORD leases to COUNTY and COUNTY leases from LANDLORD 37,414 square feet of hangar space and 1,586 square feet of office space of the real property, building, and other improvements with an address of Building 795, San Bernardino International Airport, San Bernardino, California, including parking as provided by LANDLORD, ("Premises") as described in Exhibit "A".
3. **TERM:** This lease shall commence November 1, 2004 and end on October 31, 2007 ("initial term").
4. **RENT:** COUNTY shall pay to LANDLORD monthly rental payments in arrears on the last day of each month, commencing with the term commences, continuing during the term in the amount of Eleven Thousand Seven Hundred and 00/100 Dollars (\$11,700.00).

Rent for any partial month shall be prorated based on the actual number of days of the month. All rent shall be paid to LANDLORD at the address to which notices to LANDLORD are given.
5. **OPTION TO EXTEND TERM:** LANDLORD gives COUNTY the option to extend the term of the Lease on the same provisions and conditions, except for the monthly rent, for two (2) two-year periods ("extended terms") following expiration of the initial term, by COUNTY giving notice of its intention to exercise the option to LANDLORD prior to the expiration of the preceding term or during any holding over pursuant to **Paragraph 7, HOLDING OVER**. The rent for each extended term shall be adjusted by good faith negotiation of the parties to the fair market rental rate then prevailing based upon the rental rates of comparable leased property in San Bernardino County.
6. **RETURN OF PREMISES:** The COUNTY agrees that it will, upon the termination of this Lease or any extension thereof, return the Premises in as good condition and repair as the Premises now are or shall hereafter be put; reasonable wear and tear excepted.
7. **HOLDING OVER:** In the event the COUNTY shall hold over and continue to occupy the Premises with the consent of the LANDLORD, expressed or implied, the tenancy shall be deemed to be a tenancy from month-to-month upon the same terms and conditions, including rent, as existed and prevailed at the time of the expiration of the term of this Lease.
8. **TAXES:** LANDLORD shall pay all real property taxes, and general and special assessments levied and assessed against the Premises. COUNTY recognizes and understands this Lease may create a possessory interest subject to property taxation and that the COUNTY may be subject to the payment of property taxes levied on such interest.
9. **USE:** COUNTY shall occupy and use the Premises during the term hereof for the purposes of COUNTY business. LANDLORD grants the COUNTY the following general privileges, uses and rights, all of which are subject to the terms, conditions and covenants hereinafter set forth and all of which will be non-exclusive on the airport:
 - a. The right of 24-hour ingress and egress from the Premises over and across designated airport property and public roadways serving the airport via security gates and subject to the master lease (as identified further herein), to

be utilized by the COUNTY, its agents and servants, patrons, and invitees, subject to the ordinances, rules and regulations as now in effect or may hereafter be applicable, provided, however, that such access to the Premises shall be sufficient and adequate for COUNTY to conduct its business operations there from.

b. The COUNTY Sheriff's Bureau of Administration will utilize the Premises and all improvements it constructs for law enforcement related services and storage of aircraft.

c. The COUNTY shall have common use rights for the rest rooms adjacent to the hangar.

d. Other uses as may be approved by the LANDLORD in writing by official action of the San Bernardino Airport Authority Commission.

e. COUNTY agrees that it will abide by, keep and observe all reasonable rules and regulations which LANDLORD may make, from time-to-time, for the management, safety, care and cleanliness of the building and the grounds, including regulations regarding parking, if applicable, which regulations are for the presentation of good order in the building and for the convenience of other occupants and tenants of the building, as well as COUNTY. The violation of any such rules and regulations shall be deemed a material breach of this Lease by COUNTY.

10. **PROHIBITED ACTIVITIES:** It is specifically understood and agreed between the LANDLORD and the COUNTY that, during the term of this lease agreement and the tenancy of the COUNTY and during all times the LANDLORD operates the airport as a public airport, the following activities are specifically excluded and prohibited on the Premises unless prior written approval has been granted by the authority:

a. Sale of insurance.

b. Auto rental agency.

c. Advertising concession.

11. **HEALTH, SAFETY AND FIRE CODE REQUIREMENTS:** Unless, COUNTY elects to terminate this Lease pursuant to **Paragraph 49, COUNTY'S RIGHT TO TERMINATE**, COUNTY, at its sole expense, will ensure the Premises meet the applicable requirements of the Health, Safety, Fire and Building Codes for Public Buildings, including any requirements for a notice of completion, certificate of occupancy and the Americans with Disabilities Act ("ADA"). Should the continued occupancy of the leased Premises be in anyway prejudiced or prevented due to changes in the ADA, the Health, Safety or Fire Codes for Public Buildings, the COUNTY herein shall correct, update and comply with said changes at COUNTY'S cost.

12. **FEDERAL, STATE AND COUNTY REQUIREMENTS:** COUNTY agrees to conform to all applicable Federal, State and County rules and regulations.

13. **LICENSE AND CERTIFICATES:** COUNTY agrees that it will require and maintain those Federal Aviation Administration certifications and licenses required for carrying out the COUNTY's business.

14. **SIGNS:** COUNTY will display only such sign or signs as are approved by LANDLORD and not prohibited by law.

15. **AIRPORT DEVELOPMENT:** LANDLORD, at its sole discretion and as designed by the LANDLORD, will determine and may from time-to-time change the routes of surface ingress and egress connecting the leased Premises, but agrees to locate such routes as conveniently as may be done for COUNTY, having in mind the reasonable requirements of LANDLORD with respect to the operation of the airport.

16. **RIGHT OF FLIGHTS:** There is hereby reserved to the LANDLORD, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises hereby leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now know or hereafter used for navigation of or flight in the air, using said airspace for normal aircraft operations.

17. **NONINTERFERENCE WITH AIRCRAFT:** COUNTY by accepting this lease agreement expressly agrees for itself, its successors and assigns that it will not make use of the leased Premises in any manner which might interfere with the landing and/or taking off of aircraft or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the LANDLORD reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of the COUNTY.

18. **MAINTENANCE:**

a. Except as specifically provided in **subparagraph 18d**, below, LANDLORD at its cost shall maintain in good condition all portions of the Premises, including but not limited to the following:

(1) The structural parts of the building and other improvements that are a part of the Premises, which structural parts include the foundations, bearing and exterior walls (including glass and doors), subflooring, and roof;

(2) The electrical, plumbing, and sewage systems, including, without limitation, those portions of the systems owned or controlled by LANDLORD lying outside the Premises;

(3) Window frames, gutters, and downspouts on the building and other improvements that are a part of the Premises;

(4) Air conditioner, heating and ventilating systems servicing the Premises; and

(5) The grounds, including all parking areas and outside lighting, grass, trees, shrubbery and other flora.

b. LANDLORD at its cost shall repair the Premises if they are damages by (1) causes over which COUNTY has not control; (2) acts or omissions of LANDLORD, or its authorized representative.

c. LANDLORD shall have ten (10) days after notice from COUNTY to commence to perform its obligations under this paragraph, except that LANDLORD shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency. If LANDLORD does not perform its obligations within the time limitations in this paragraph, COUNTY after notice to LANDLORD can perform the obligations and have the right to reimbursed for the sum it actually and reasonably expends (including charges for COUNTY employees and equipment) in the performance of LANDLORD's obligations. If LANDLORD does not reimburse COUNTY within ten (10) days after demand from COUNTY, COUNTY shall have the right to withhold from future rent due the sum COUNTY has

expended until COUNTY is reimbursed in full. Any notice or demand concerning a material hazard or emergency may be made orally by telephone or otherwise, provided that written confirmation is given within five (5) days after the oral notice of demand is made. Such confirmation shall be made as provide in **Paragraph 24, NOTICES**.

d. COUNTY, at its cost, shall provide janitorial services, and keep the interior of the Premises in a clean and orderly condition, reasonable wear and tear excluded.

19. **ALTERATIONS:** COUNTY shall not make any structural or exterior improvements or alterations to the Premises without LANDLORD's consent. Any such alterations shall remain on and be surrendered with the Premises on expiration or termination of the Lease.

20. **FIXTURES:** COUNTY shall have the right during the term(s) of this Lease to install shelving and fixtures, and make interior, non-structural improvements or alterations in the Premises. Such shelving, fixtures, improvements, and alterations shall remain the property of the COUNTY and may be removed by the COUNTY during the term(s) of this Lease or within a reasonable time thereafter, provided that the COUNTY restores the Premises to the condition as it existed at the commencement of this Lease, reasonable wear and tear excluded, or the COUNTY in its sole discretion may elect to surrender all or any part of such shelving, fixture, improvements and alterations to the LANDLORD, in which case COUNTY shall have no duty to restore the Premises. Any such election to surrender must be in writing, but need not be accepted by LANDLORD to be effective.

21. **UTILITIES:** LANDLORD shall furnish to the Premises and pay all service charges and related taxes for utilities. LANDLORD to bill COUNTY and COUNTY to reimburse LANDLORD for its pro rata share of utilities based on the ratio of COUNTY's square footage to the total square footage of the building in which the Premises are located.

22. **TELEPHONE AND COMPUTER CABLING:** COUNTY may, at its own expense, cause the installation of all necessary telephone and computer cabling. COUNTY shall be solely responsible for obtaining its own telephone and computer systems, which shall be purchased, installed and generated at COUNTY's sole expense.

23. **KEY TO BUILDING:** COUNTY shall be provided keys to the building where the Premises are located.

24. **HOLD HARMLESS"**

a. COUNTY agrees to indemnify LANDLORD for liability or claim for damage for personal injury, death or property damage resulting from the COUNTY's negligent acts or omissions on the Premises during the term of the Lease.

b. LANDLORD agrees to indemnify, defend with counsel approved by COUNTY and hold harmless the COUNTY, its officers, agents, volunteers and employees from any and all liabilities for injury to persons and damage to property to or upon the demised Premises arising out of any act or omission of LANDLORD, its agents or invitees.

25. **INSURANCE:**

a. COUNTY is a public entity and is self-insured.

b. LANDLORD shall, at its own expense, obtain and maintain following types and amounts of insurance during the entire term of this Lease.

(1) Premises liability with combined single limits of \$1,000,000.00 including bodily injury/death and/or property damage.

(2) Fire Insurance: Standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements to the extent of at least forty percent (40%) of the full replacement value of the Premises.

(3) Workers' Compensation Insurance: A program of workers' compensation insurance or a state-approved self-insurance program in a amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) limits, covering all persons providing services on behalf of LANDLORD and all risks to such persons under this agreement.

c. LANDLORD shall immediately furnish certificates of insurance to the COUNTY, evidencing the above required insurance coverage upon the commencement of this Lease. Within sixty (60) days of the commencement of this Lease the LANDLORD shall furnish the COUNTY certified copies of the policies and endorsements.

d. COUNTY shall be an additional named insured under all said policy or policies of insurance. All insurance required shall be maintained in full force at all times during this Lease by LANDLORD. LANDLORD shall be required to inform COUNTY in writing of any change, expiration or renewal of any insurance policy or policies at least thirty (30) days prior to the effective date of change. Further, each policy shall provide that same shall not be cancelled until a thirty (30) day written notice of cancellation has been mailed to Real Estate Services Department, 825 East Third Street, San Bernardino, CA 92415-0832. All such policies shall contain language to the effect that, (1) the insurer waives the right of subrogation against COUNTY and against any and all of COUNTY's officials, officers, employees, agents and representatives; and, (2) the policies are primary and non-contributing with any insurance that may be carried by COUNTY.

e. The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interests of the COUNTY. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the COUNTY, inflation, or any other item reasonably related to the COUNTY's risk.

(1) Any such reduction or waiver for less than the entire term of the Lease (including any option periods) must be in writing and signed by the Risk Manager to be effective.

(2) Any such reduction or waiver for the entire term of the Lease (including any option periods) and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Lease. LANDLORD agrees to execute any such amendment within thirty (30) days of receipt.

f. In the event COUNTY receives a thirty (30) days notice of cancellation concerning any of the required policies, or should LANDLORD fail to have in effect the required coverage at anytime during this Lease, COUNTY may give notice to LANDLORD to reinstate or acquire the affected coverage. Should LANDLORD fail to reinstate or acquire the affected coverage within ten (10) days of COUNTY's notice to reinstate or acquire such coverage, COUNTY may either terminate the Lease, reinstate or acquire the affected coverage, and LANDLORD shall reimburse COUNTY for the necessary cost at COUNTY's option. If LANDLORD does not reimburse the COUNTY within ten (10) days after demand by COUNTY, COUNTY shall have the right to withhold from future rent due the sum COUNTY has expended until COUNTY is reimbursed in full.

g. COUNTY shall have no liability for any premiums charged for such coverage(s). The inclusion of COUNTY as additional named insured is not intended to and shall not make it a partner or joint venturer with LANDLORD.

26. **DESTRUCTION OF PREMISES:**

a. If, during the term of this Lease, any casualty renders ten percent (10%) or less of the floor space of the Premises unusable for the purpose intended, LANDLORD shall commence restoration of the Premises within thirty (30) days of notice of the casualty and shall thereafter diligently pursue complete restoration of the Premises within a reasonable time. If LANDLORD does not perform the restoration obligations of this subparagraph within the time limitations set forth, COUNTY may, at its option and in its sole discretion, after notice to LANDLORD, perform the obligations and have the right to be reimbursed for all sums it actually and reasonably expends (including charges for County employees and equipment used) in the performance of LANDLORD's obligations, or COUNTY may terminate this Lease by notice to LANDLORD. If COUNTY performs LANDLORD's obligations under this subparagraph, and LANDLORD does not reimburse COUNTY within thirty (30) days after demand from COUNTY, COUNTY shall have the right to withhold from future rent due the sum COUNTY has expended until COUNTY is reimbursed in full, or institute an action to collect the amount expended without first withholding rent due.

b. If during the term of this Lease, any casualty renders more than ten percent (10%) but less than twenty-five percent (25%) of the floor space of the Premises unusable for the purpose intended, LANDLORD shall commence restoration of the Premises within ninety (90) days of notice of the casualty and shall thereafter diligently pursue complete restoration of the Premises within a reasonable time. If LANDLORD does not perform the restoration obligations of this subparagraph within the time limitations set forth, COUNTY may, at its option and in its sole discretion, after notice to LANDLORD, perform the obligations and have the right to be reimbursed for all sums it actually and reasonably expends (including charges for County employees and equipment used) in the performance of LANDLORD's obligations, or COUNTY may terminate this Lease by notice to LANDLORD. If COUNTY performs LANDLORD's obligations under this subparagraph, and LANDLORD does not reimburse COUNTY within thirty (30) days after demand from COUNTY, COUNTY shall have the right to withhold from future rent due the sum COUNTY has expended until COUNTY is reimbursed in full, or institute an action to collect the amount expended without first withholding rent due.

c. If during the term of this Lease, any casualty renders at least twenty-five percent (25%) but less than forty percent (40%) of the floor space of the Premises unusable for the purpose intended, COUNTY shall within thirty (30) days of the casualty and at its option and in its sole discretion, terminate this Lease by notice to LANDLORD or request LANDLORD to restore the Premises. If COUNTY requests LANDLORD to restore the Premises, the LANDLORD shall either terminate this Lease by notice to COUNTY within ten (10) days of receiving COUNTY's request for restoration or commence restoration of the Premises within ninety (90) days of receiving COUNTY's

request for restoration and thereafter diligently pursue complete restoration of the Premises within a reasonable time. If LANDLORD does not terminate the Lease and does not perform the restoration obligations of this subparagraph within the time limitations set forth, COUNTY may, at its option and in its sole discretion, after notice to LANDLORD, perform the obligations and have the right to be reimbursed for all sums it actually and reasonably expends (including charges for County employees and equipment used) in the performance of LANDLORD's obligations, or COUNTY may terminate this Lease by notice to LANDLORD. If COUNTY performs LANDLORD's obligations under this subparagraph, and LANDLORD does not reimburse COUNTY within thirty (30) days after demand from COUNTY, COUNTY shall have the right to withhold from future rent due the sum COUNTY has expended until COUNTY is reimbursed in full, or institute an action to collect the amount expended without first withholding rent due.

d. If, during the term of the Lease, any casualty renders forty percent (40%) or more of the floor space of the Premises unusable for the purpose intended, this Lease shall be terminated as of the date of the casualty. If the Lease is terminated pursuant to this subparagraph, COUNTY shall have a reasonable time to vacate the Premises, and shall not be required to pay rent during the reasonable time required to vacate the Premises.

e. In the event there is a destruction of a portion of the Premises as set out in **subparagraphs a, b and c above**, there shall be an abatement or reduction of the rent between the date of destruction and the date of completion of restoration or the date of termination of this Lease, whichever comes first. The abatement or reduction of the rent shall be in the percentage as the percentage of the unusable floor space. Unusable floor space for the purpose of calculating the percentage of rent abatement or reduction shall include not only that floor space which is rendered unusable for the purpose intended by the casualty itself, but any additional floor space which is not usable for the purpose intended because of restoration or similar activities.

f. In the event there is a destruction of a portion of the Premises as set out in **subparagraphs a, b and c above**, and the Lease is not terminated because of such destruction, LANDLORD agrees to use any and all insurance proceeds received for said destruction in the restoration of the Premises.

g. In the event LANDLORD is required to restore the Premises as provided in this paragraph, LANDLORD shall restore, at LANDLORD's expense, any structural or exterior improvements or alterations to the Premises made by COUNTY pursuant to **Paragraph 19, ALTERATIONS**, of this Lease, but shall not be responsible for restoring any shelving, fixtures, or interior nonstructural improvements or alteration made by the COUNTY pursuant to **Paragraph 20, FIXTURES**, of this Lease.

h. It is the purpose and intent of this paragraph to determine who shall bear the initial responsibility for restoration of the Premises in the event of any such destruction and not to determine the party responsible for the ultimate costs of such restoration.

27. **LANDLORD'S DEFAULT:** Except where another time limit is specifically provided, LANDLORD shall be in default of this Lease if it fails or refuses to perform any material provisions of this Lease that it is obligated to perform if the failure to perform is not cured within thirty (30) days after notice of such default has been given by COUNTY to LANDLORD. If the default cannot reasonably be cured within thirty (30) days, LANDLORD shall not be in default of this Lease if LANDLORD commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

28. **COUNTY'S REMEDIES ON LANDLORD'S DEFAULT:** COUNTY, at anytime after LANDLORD is in default, can terminate this Lease or can cure the default at LANDLORD's cost. If COUNTY at anytime, by reason

of LANDLORD's default, pays any sum or does any act that requires the payment of any sum, the sum paid by COUNTY shall be due from LANDLORD to COUNTY within five (5) days of notice of such sum, at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum is paid by COUNTY until COUNTY is reimbursed by LANDLORD. If LANDLORD fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease.

29. **COUNTY'S DEFAULT:** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by COUNTY:

a. The vacating for more than thirty (30) consecutive days or abandonment of the Premises by COUNTY.

b. The failure by COUNTY to perform any material provisions of this Lease to be performed by COUNTY, including the payment of rent, where such failure shall continue for a period of thirty (30) days after notice by LANDLORD to COUNTY; provided, however, that if the nature of COUNTY's default is such that more than thirty (30) days are reasonably required for its cure, then COUNTY shall not be deemed to be in default if COUNTY commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. The purpose of this notice requirement is to extend the notice requirements of the unlawful detainer statutes of California.

30. **LANDLORD'S REMEDIES ON COUNTY'S DEFAULT:** In the event of any material default by COUNTY which is not cured by COUNTY, LANDLORD may, at its election, terminate this Lease by giving COUNTY thirty (30) days notice of termination. The purpose of this notice requirement is to extend the notice requirement of the unlawful detainer statutes of California. On termination of the Lease for default pursuant to this paragraph, LANDLORD shall have the right to recover from COUNTY only the following amounts for any and all damages which may be the direct or indirect result of such default:

a. The worth, at the time of the award, of the unpaid rent that has been earned at the time of termination of this Lease; and,

b. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that LANDLORD proves could not have been reasonably avoided; and,

c. The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that LANDLORD proves could not have been reasonably avoided; and,

d. Any other amount necessary, and court costs, to compensate LANDLORD for all detriment proximately caused by COUNTY's default which LANDLORD proves could not have been reasonably avoided.

"The worth, at the time of the award," as used in **a and b** of this paragraph, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award,"

as referred to in c of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

31. **LANDLORD'S ACCESS TO PREMISES:** LANDLORD and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

- a. To determine whether the Premises are in good condition;
- b. To do any necessary maintenance and to make any restoration to the Premises that LANDLORD has the right or obligation to perform.
- c. To serve, post, or keep posted any notices required by law;
- d. To post "for sale" signs at anytime during the term, to post "for rent" or "for lease" signs during the last three (3) months of the term; and
- e. To show the Premises to prospective brokers, agents, buyers, tenants, lenders or persons interested in an exchange, at anytime during the term.

LANDLORD shall conduct its activities on the Premises as allowed in this paragraph in a manner that will cause the least possible inconvenience, annoyance, or disturbance to COUNTY.

32. **ASSIGNMENT AND SUBLETTING:** COUNTY shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber any or all of COUNTY's interest in this Lease or in the Premises, without LANDLORD's prior written consent. LANDLORD shall respond to COUNTY's request for consent hereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this Lease. Regardless of LANDLORD's consent, no subletting or assignment shall release COUNTY of COUNTY's obligations or alter the primary liability of COUNTY to pay the rent and perform all other obligations to be performed by COUNTY hereunder. Acceptance of rent by LANDLORD from any other person shall not be deemed to be a waiver by LANDLORD or any provision hereof. Consent to one assignment or subletting shall not be deemed to be consent to any subsequent assignment or subletting. In the event of default by any assignee of COUNTY or any successor of COUNTY, in the performance of any of the terms hereof, LANDLORD may proceed directly against COUNTY, without the necessity of exhausting the remedies against said assignee. For the purposes of this section, assignment or subletting by COUNTY to a wholly owned subsidiary of COUNTY, or to a related entity with ownership in common with COUNTY, shall not require the consent of LANDLORD, providing only that the use of the Premises; i.e., aircraft storage, and office use shall remain as the sole use of the Premises after such assignment or sublease, and further providing that any subsequent assignment, transfer, mortgage, sublet or other transfer or encumbrance of the Premises shall be subject to the provisions of this section.

33. **COMPLIANCE WITH ENVIRONMENTAL LAWS:** COUNTY shall, at COUNTY's own expense, comply with all present and hereinafter enacted Federal, State and local environmental laws, and any amendments thereto, affecting COUNTY's operation on or use of the Premises.

a. Compliance:

(1) COUNTY shall not cause or permit any hazardous material to be used, generated, manufactured, produced, stored, brought upon, or released, on, under or about the Premises, or transported to and from the Premises, by COUNTY, its agents, employees, contractors, invitees or a third party in violation of any environmental law. COUNTY and any sublessee or licensee shall, to the extent permitted under State law, save, indemnify and hold harmless LANDLORD from any damage, costs, expenses, liabilities, fines, or penalties resulting from discharges, emissions, spills, storage, disposal, or any other acts or omissions by COUNTY, its officers, agents, employees, contractors or sublessees, or the invitees of any of them, giving rise to liability, civil or criminal, or responsibility under Federal, State or local environmental law. This obligation shall survive the expiration or termination of the Lease and COUNTY's and any sublessee's or licensee's obligations hereunder shall apply whenever COUNTY incurs costs or liabilities for COUNTY's or any sublessee's or licensee's actions giving rise to liability under this section. Notwithstanding any other provision of this Lease, COUNTY and its sublessees and licensees do not assume any liability or responsibility for environmental impacts and damage caused by the use by LANDLORD or by the prior use by the United States, including any agency or agent thereof, of toxic substances, or hazardous waste, hazardous substances, or hazardous materials, or oil, or petroleum products, as such terms are defined by applicable law, on any portion of San Bernardino International Airport, prior to the commencement of this Lease. COUNTY and its sublessees and licensees have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release from, any portion of San Bernardino International Airport, including any portion of or any building, facility or other improvement on the Premises, of any toxic substances, or hazardous wastes, hazardous substances, or hazardous materials prior to the first day of the Lease. "Occupancy" or "use" shall mean any activity or presence (including preparation and construction) in or upon such portion of, or such building, facility or other improvement on the Premises. This provision of this Lease shall survive the expiration or termination of this Lease and does not relive COUNTY and its sublessees and licensees of any obligation or liability they might have or acquire with regard to third parties or regulatory authorities by operation of law.

(2) Without limiting the foregoing, if the presence of any hazardous material on, under or about the Premises caused by COUNTY results in any contamination of the Premises, COUNTY shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such hazardous material to the Premises; provided that the LANDLORD's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Premises.

(3) COUNTY shall immediately notify LANDLORD of any of the following: (a) any correspondence or communication from any governmental entity regarding the application of environmental laws to the Premises or COUNTY's operation on the Premises, and (b) any change to COUNTY's operation on the Premises that will change or has the potential to change COUNTY's or LANDLORD's obligations or liabilities under the environmental laws.

(4) COUNTY shall insert the provisions of this section in any lease agreement or contract by which it grants a right or privilege to any person, firm or corporation under this agreement.

34. **NOTICES:** Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party

may change its address by notifying the other party of the change of address. Notice shall be deemed communicated two (2) COUNTY working days from the time of mailing if mailed as provided in this paragraph.

LANDLORD's address: San Bernardino International Airport Authority
294 South Leland Norton Way, Suite #1
San Bernardino, CA 92408-0131

COUNTY's address: County of San Bernardino
Real Estate Services Department
825 East Third Street, Room 207
San Bernardino, CA 92415-0832

35. **INCORPORATION OF PRIOR AGREEMENT:** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

36. **WAIVERS:** No waiver by either party of any provisions of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provisions.

37. **AMENDMENTS:** No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successor in interest, expressing by its terms an intention to modify this Lease.

38. **SUCCESSORS:** This Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

39. **SEVERABILITY:** If any word, phrase, clause, sentence, paragraph, section, article, part or portion of this Lease is or shall be invalid for any reason, the same shall be deemed severable from the remainder hereof and shall in no way affect or impair the validity of this Lease or any other portion thereof.

40. **TIME OF ESSENCE:** Time is of the essence of each provision of this Lease which specifies a time within which performance is to occur. In the absence of any specific time for performance, performance may be made within a reasonable time.

41. **QUIET ENJOYMENT:** Subject to the provisions of this Lease and conditioned upon performance of all the provisions to be performed by COUNTY hereunder, LANDLORD shall secure to COUNTY during the Lease term the quiet and peaceful possession of the Premises and all right and privilege appertaining thereto.

42. **PROVISIONS ARE COVENANTS AND CONDITIONS:** All provisions, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

43. **CONSENT:** Whenever consent or approval of either party is required that party shall not unreasonably withhold, condition or delay such consent or approval.

44. **EXHIBITS:** All exhibits referred to are attached to this Lease and incorporated by reference.

45. **LAW:** This Lease shall be construed and interpreted in accordance with the laws of the State of California.
46. **ATTORNEYS' FEES AND COSTS:** If any legal action is instituted to enforce or declare any party's rights hereunder, each party, regardless of which is the prevailing party, must bear its own costs and attorneys' fees.
47. **JURY TRIAL WAIVER:** LANDLORD and COUNTY hereby waive their respective right to trial by jury and agree to accept trial by judge alone of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either LANDLORD against COUNTY or COUNTY against LANDLORD on any matter whatsoever arising out of, or in any way connected with, this Lease, the relationship of LANDLORD and COUNTY, COUNTY's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.
48. **RELOCATION OF PREMISES:** COUNTY acknowledges that COUNTY is leasing only a portion of the building in which the Premises are located. LANDLORD may lease a portion or balance of the building in which the Premises are located to a compatible, third party with notice and approval of COUNTY in which event COUNTY may, at COUNTY's option, install a fence and/or other security measures to separate COUNTY's Premises from another tenant. If a new tenant is not compatible with COUNTY's use and/or LANDLORD desires to relocate COUNTY, LANDLORD will have the right, upon giving COUNTY thirty (30) days notice in writing, to provide and furnish COUNTY with space elsewhere on the airport of approximately the same size as the Premises, and to move and place COUNTY in such new space at LANDLORD's expense. In the event LANDLORD moves COUNTY to said new space then this Lease and each and all of the terms and covenants and conditions thereof will there upon remain in full force and effect and be deemed applicable to such new space. Should COUNTY refuse to permit LANDLORD to move COUNTY to such new space at the end of said thirty (30) day period, LANDLORD will have the right to cancel and terminate the within lease effective sixty (60) days after the date of the original notification by LANDLORD.
49. **COUNTY'S RIGHT TO TERMINATE LEASE:** The COUNTY shall have the right to terminate this Lease at anytime whenever COUNTY, in its sole discretion, determines it would be in COUNTY's best interests to terminate this Lease. COUNTY shall give LANDLORD notice of any termination pursuant to this paragraph at least ninety (90) days prior to the date of termination.
50. **CAPTIONS, TABLE OF CONTENTS AND COVER PAGE:** The paragraph captions, table of contents and the cover page of this Lease shall have no effect on its interpretations.
51. **SURVIVAL:** The obligations of the parties that, by their nature, continue beyond the term of this Lease, will survive the termination of this Lease.
52. **APPROVAL OF LEASE:** It is understood and agreed that this Lease is subject to the approval of the San Bernardino International Airport Authority Board of Commissioners and the Board of Supervisors of San Bernardino County.
53. **AGREEMENTS WITH THE UNITED STATES:** COUNTY acknowledges that LANDLORD is presently not the fee title owner of either the airport or the Premises, but the LANDLORD and the United States Government have executed a master lease entitled Department of Defense of Property on Norton Air Force Base, California, dated January 18, 1994, (the "Master Lease"), a true, correct and complete copy of which is available in LANDLORD's office, which conveys a leasehold interest in the airport and the Premises to LANDLORD for a 55-year period with fee title to transfer to LANDLORD as provided therein. COUNTY further acknowledges that it has

reviewed the Master Lease and has been advised by counsel and is aware of the provisions of the Master Lease which provide for termination of the Master Lease by the United States Government upon certain defaults by LANDLORD. COUNTY agrees to be bound by and consents to the enforcement of all provisions of the Master Lease as the enforcement of such provisions may affect the rights and privileges of COUNTY as a tenant of LANDLORD pursuant to the Master Lease. COUNTY further agrees to indemnify and hold harmless LANDLORD and its officers, directors, employees and agents from any and all claims by the United States against LANDLORD resulting from a failure by COUNTY and its sublessees to comply with the applicable provisions of the Master Lease.

54. **AUTHORITY TO ACT FOR LANDLORD:** It is understood and acknowledged that LANDLORD shall act by and through the authority of, and actions taken on behalf of LANDLORD shall be exercised by the LANDLORD's Executive Director or his agent. All approvals, consents and other actions, required by LANDLORD hereunder shall be taken by the Executive Director or his agent in his sole discretion.

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55. **INTERPRETATIONS:** As this agreement was jointly prepared by both parties, the language in all parts of this agreement shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

END OF LEASE TERMS.

COUNTY OF SAN BERNARDINO

**LANDLORD: SAN BERNARDINO
INTERNATIONAL AIRPORT AUTHORITY**

Dennis Hansberger, Chairman
Board of Supervisors

By:_____
(Name)

Date:_____

Title:_____

SIGNED AND CERTIFIED THAT
A COPY OF THIS DOCUMENT
HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Date:_____

J. RENEE BASTIAN, Clerk of the
Board of Supervisors

By:_____
(Name)

By:_____
Deputy

Title:_____

Date:_____

Date:_____

Approved as to Legal Form:

RONALD D. REITZ, County Counsel
San Bernardino County, California

By:_____
Fiona Luke, Deputy

Date:_____

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